

GOVERNMENT OF ANDHAR PARADESH

ABSTRACT

Proh & Excise Dept- Loss due to flood during 22nd and 23rd of June 2007 at Kurnool Depot-Claim preferred with M/s. National Insurance Company Limited- Waiver of Excise Duty in respect of flood affected IMFL stocks- Orders issued- Reg.

REVENUE (EXCISE - II) DEPARTMENT

G.O.Ms.No. 1292

Dated:14 -12-2009,

Read the following:

1. From the CPE Cr. No. 10072/2008/CPE/G2, Dt: 31 -10-2008.
2. From the CPE Cr. No. 10072/2008/CPE/G2, Dt: 01-07-2009.

ORDER:

In the references read above, the Commissioner of Prohibition and Excise , Hyderabad has stated that the Managing Director, Andhra Pradesh Beverages Corporation Limited has informed that the Indian Made Foreign Liquor stocks lying at Kurnool Dept. were affected/damaged due to entry of flood water into the depot on 22-06-2007. The stocks stored at Kurnool Indian Made Foreign Liquor Depot was insured for Rs. 4.00 crores for the period from 25-11-2006 to 25-11-2007.

2. He has further stated that Stock of 76,426 cases and 2,447 bottles equal to Rs.558.79 lakhs worth was available in the godown at the time of entry of flood waters. Stocks of 12,870 cases worth Rs.101.08 lakhs was recovered as sound and released for sale. 594 bottles of stock were drawn as samples and referred to Chemical analysis. Out of the balance 62,946 cases and 2,733 bottles of affected IMFL stock, 571 cases and 3226 bottles of various brands were broken and the liquor was spoilt. Therefore from the remaining affected IMFL stock (except Beer, Wine and RTD), ENA can be extracted and used for liquor manufacturing. A claim for Rs.4,67, 70,929-28 including Rs.10,00,000/- towards labour and cartons provided by the depot and suppliers was filed with the insurer. The company has settled the claim for Rs.2,79,39,567-00. The insurance company has assessed the amount to be realized towards the cost of recovered ENA, bottles and other scrap at Rs.46,23, 847-28. Therefore, if the entire affected stock is permitted for reprocessing by one or two distilleries instead of many distilleries, the department we may fetch higher salvage value than that assessed by the Surveyor.

3. The Commissioner of Prohibition and Excise , Hyderabad has also stated that when the samples from the affected stock lying at Kurnool, were referred to the Government Regional Prohibition and Excise Laboratory, Kurnool, all the samples are declared as unfit for human consumption. The Beer, Wine and Ready to Drink IMFL varieties cannot be reprocessed as they do not contain ENA, and hence the Excise Duty of these varieties may not be adjustable against future supplies as per rule 29 of A P Distillery Rules, 2006. The Excise Duty covered by the effected Beer, Wine and RTD is Rs. 4,51,862.98.

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4. He has also stated that the balance Excise Duty i.e., Rs.1,91,87,651-83 ps. (-) Rs.4,51,862-98ps. = Rs.1,87,35,788-85ps. can be adjustable against the future supplies made out of the extracted ENA from the affected IMFL stock under rule 29 of A.P. Distillery Rules, 2006.

5. The Commissioner of Prohibition and Excise, Hyderabad has requested the Govt. that the amount already paid by the various manufacturers to the tune of Rs. 1,87,35,788-85ps. may be set off towards Excise Duty on future supplies by these companies and also requested to waive Excise Duty of Rs 4,51,862.98 in respect of the IMFL stock that has been lost and permit to reduce this amount and set off the same towards Excise Duty on future supplies of IMFL by the manufactures.

6. Government have carefully examined the request of the Commissioner of Prohibition and Excise and hereby order to set off Rs. 1,87,35,788.85ps. (Rupees one crore, eighty seven lakhs, thirty five thousand, seven hundred eighty eight and eighty five paise only) towards Excise duty on future supplies by companies who have already paid the Excise Duty on the stocks damaged in floods on 22-06-2007.

7. Govt. also waive Excise Duty of Rs 4,51,862.98 (Rupees four lakh fifty one thousand eight hundred sixty two and ninety eight paise only) in respect of the IMFL stock that has been lost and permit to reduce this amount and set off the same towards Excise Duty payable on future supplies of IMFL by the manufactures.

8. The Commissioner of Prohibition and Excise /Managing Director, Andhra Pradesh Beverages Corporation Limited are requested to take necessary action accordingly.

9. This order issues with the concurrence of the Finance (Exp. Revenue) Dept, vide their U.O. No. 20542/305/A2/Exp. Rev/2009, Dated: 31-08-2009.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**ASUTOSH MISHRA,
PRINCIPAL SECRETARY TO GOVERNMENT.**

To
The Commissioner of Prohibition and Excise, A.P. Hyd.
The Managing Director, Andhra Pradesh
Beverages Corporation Limited, Hyderabad.

Copy to :

Finance (Exp. Revenue) Dept.

P.S. to Prl. Secretary to C.M.

P.S to Prl. Secy. to Govt., Revenue Dept.

SF/SC

// Forwarded: By Order//

SECTION OFFICER